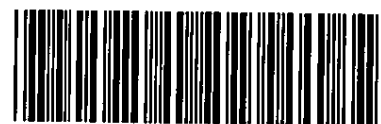


Register

A & S SHILLAM LIMITED
Financial Statements
For the year ended 30 April 2012

Company Registration Number 02196274

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A & S SHILLAM LIMITED
Financial statements for the year ended 30 April 2012

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A & S SHILLAM LIMITED
Director, officers and advisers

Director

Mr J A Lynch-Batten

Secretary and registered office

Mrs G M Lynch-Batten
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

Registered number

02196274

Auditors

Day, Smith & Hunter
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

Bankers

HSBC Bank

A & S SHILLAM LIMITED

Director's report for the year ended 30 April 2012

The director presents his annual report together with the financial statements of the company for the year ended 30 April 2012

Principal activity

The principal activity of the company throughout the year under review was that of the operator of retail pharmacies and a post office

Review of the business

This business review forms part of the director's report. Its function is to provide a balanced review of the company's performance and development during the year and its position at the year end. The review also covers the principal risks and uncertainties faced by the company.

Development and performance of the company

There have not been any significant changes in the company's principal activities in the year under review, and at the date of this report, the director is not aware of any likely changes in the company's activities in the next year.

The company's turnover has decreased this year by 2.0% per cent to £12,179,597.

The balance sheet shows that the company's position at the year end is satisfactory.

Principal risks and uncertainties

During the year, the company maintained a strong position in its principal activity, the operation of retail pharmacies and a post office. Accurate figures as to total market and market share are impossible to calculate but key competitors were known.

Competitive pressures were a continuing risk to the company. The company managed this risk by providing an expanding range of healthcare services to its customers and ensuring a high level of service.

Key performance indicators

The KPIs used to determine the progress and performance of the company are set out below.

Gross profit margin

The company's gross profit margin was maintained in the year under review.

Turnover

As indicated above, the company's turnover decreased by 2.0% on that achieved in 2011.

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements.

Financial instruments etc

The company's principal financial instruments comprise bank balances, bank and other loans and trade creditors. The main purpose of these instruments is to raise funds for and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risks. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by transferring funds between the accounts of the company to obtain the maximum rate of interest, whilst not impacting on the financial needs of the company.

For bank loans and trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and that borrowings are flexible and available in the medium term (see Note 15).

A & S SHILLAM LIMITED

Director's report for the year ended 30 April 2012 (continued)

Fixed assets

The movements in fixed assets are shown in notes 8, 9 and 10

Results and dividends

The results for the year are shown in the profit and loss account on page 6 The profit for the year after taxation was £855,171

The director does not recommend the payment of a dividend for the year

Future developments

The company is well poised to develop its main core business and continues to address the effect of competitive pressures experienced during 2011/12

Director

The director who served during the year was

Mr J A Linch-Batten

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the director is required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006 He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors

The director confirms that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware He has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Signed on behalf of the board



Mr J A Linch-Batten

Approved by the Board on 25/2/2013

A & S SHILLAM LIMITED

Independent auditors' report to the member of A & S Shillam Limited

We have audited the financial statements of A & S Shillam Limited for the year ended 30 April 2012 which are set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

A & S SHILLAM LIMITED

Independent auditors' report to the member of A & S Shillam Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Roy Coates (Senior Statutory Auditor)
for and on behalf of Day, Smith & Hunter, Statutory Auditor
Registered Auditors and
Chartered Accountants

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

25/2/2013

A & S SHILLAM LIMITED

Profit and loss account for the year ended 30 April 2012

	Notes	2012 £	2011 £
Turnover	2	12,179,597	12,429,233
Cost of sales		8,803,685	8,980,652
Gross profit		3,375,912	3,448,581
Administrative expenses		2,191,927	2,224,309
Other operating income		36,122	35,348
Operating profit	3	1,220,107	1,259,620
Interest payable and similar charges	6	(81,914)	(115,043)
Profit on ordinary activities before taxation		1,138,193	1,144,577
Taxation on profit on ordinary activities	7	(283,022)	(308,556)
Profit for the financial year	18	855,171	836,021

There were no recognised gains or losses other than those included in the profit and loss account

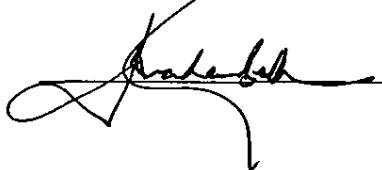
The notes on pages 8 to 14 form part of these financial statements

A & S SHILLAM LIMITED

Balance sheet at 30 April 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Intangible assets	8		6,031,004		6,031,004
Tangible assets	9		633,006		460,500
Investments	10		801,716		801,716
			<u>7,465,726</u>		<u>7,293,220</u>
Current assets					
Stock	11	790,073		804,879	
Debtors amounts falling due within one year	12	1,494,646		1,633,948	
Debtors amounts falling due after more than one year	13	4,036,194		3,301,184	
Cash at bank and in hand		88,064		133,133	
		<u>6,408,977</u>		<u>5,873,144</u>	
Creditors amounts falling due within one year	14	<u>(3,487,467)</u>		<u>(4,302,585)</u>	
Net current assets			<u>2,921,510</u>		<u>1,570,559</u>
Total assets less current liabilities			<u>10,387,236</u>		<u>8,863,779</u>
Creditors amounts falling due after more than one year	15		<u>(4,257,437)</u>		<u>(3,592,322)</u>
Provision for liabilities	16		<u>(260,938)</u>		<u>(257,767)</u>
Net assets			<u><u>5,868,861</u></u>		<u><u>5,013,690</u></u>
Capital and reserves					
Called up share capital	17		100		100
Profit and loss account	18		5,868,761		5,013,590
Shareholder's funds	19		<u><u>5,868,861</u></u>		<u><u>5,013,690</u></u>

Approved by the board of directors on 25/2/2013 and signed on its behalf



Mr J. A. Lynch-Batten - Director

Company Registration No: 02196274

The notes on pages 8 to 14 form part of these financial statements

1 Accounting policies**a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards

The accounts do not include a cash flow statement because the company is included in a consolidated financial statement and is therefore exempt from the requirement to prepare such a statement in accordance with Financial Reporting Standard 1 "Cash Flow Statements"

b) Turnover

Turnover represents National Health Service income from prescriptions and ancillary services, which is recognised once medicines etc have been supplied and payment authorised, and the income of the retail pharmacies in respect of over the counter sales

c) Consolidation

The company is exempt from the obligation to prepare group accounts under Section 400 of the Companies Act 2006

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are

Freehold buildings	2% on cost
Improvements to short leasehold property	Over the period of the lease
Motor vehicles	25% on cost
Plant, machinery, fixtures and equipment	20% on written down value
Computer equipment	25% on cost

e) Goodwill

Goodwill represents the amount paid on the acquisition of the company's retail pharmacies and a post office. In the opinion of the director the purchased goodwill has an indefinite economic life and, in accordance with the Financial Reporting Standard No 10, is not therefore subject to amortisation

This accounting policy represents a departure from paragraph 18 of part 2 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This is considered necessary in order to provide a true and fair view.

The goodwill is valued annually by professional valuers to confirm that there is no permanent diminution in carrying value.

f) Other intangible assets

The amortisation charge recognised last year related to the other intangible asset which was being amortised over its three year life. The intangible asset was a payment in respect of a restrictive covenant pursuant to the company entering into a pharmacy deed.

g) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

h) Stocks

Stocks, which consist of goods for resale, are valued by professional stocktakers, Frank G May & Son at net replacement cost. This method of valuation is normal practice for retail pharmaceutical companies.

i) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

1 Accounting policies (continued)

j) Lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due

2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company

No exports were made by the company during the year

3 Operating profit

This is stated after charging

	2012	2011
	£	£
Amortisation of intangible fixed assets	-	43,991
Depreciation of owned assets	91,828	80,107
Auditors' remuneration	14,400	17,405
Operating lease rentals - land and buildings	175,693	173,392

4 Employee information

	2012	2011
	£	£
Staff costs:		
Wages and salaries	1,326,888	1,296,296
Social security costs	90,538	83,073
	1,417,426	1,379,369

The average number of persons employed during the year, including executive directors, was made up as follows

	2012	2011
	Number	Number
Pharmacists and shop staff	104	120
Management	1	1
	105	121

5 Director's emoluments

	2012	2011
	£	£
Emoluments	3,500	4,375

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

6 Interest payable and similar charges

	2012	2011
	£	£
On bank overdrafts	23,792	23,543
Bank loan interest	54,202	29,928
Loan finance cost	2,350	-
Other loan interest	-	4,183
Other interest	1,001	636
	81,345	58,290
On bank loans due after five years	569	56,753
	81,914	115,043

7 Tax on profit on ordinary activities

	2012	2011
	£	£
United Kingdom corporation tax at 25.84% (2011: 27.84%)	279,851	297,731
Deferred taxation (note 16)	3,171	12,191
Adjustments in respect of previous years	-	(1,366)
	283,022	308,556
Profit on ordinary activities before taxation	1,138,193	1,144,577

Factors affecting tax charge for the period

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.84%	294,110	318,650
Effects of		
Expenses not deductible for tax purposes	10,544	10,917
Capital allowances in excess of depreciation	(24,803)	(31,836)
Adjustments in respect of previous periods	-	(1,366)
Current tax charge for the year	279,851	296,365

8 Intangible fixed assets

	Goodwill
	£
Cost:	
At 1 May 2011 and at 30 April 2012	6,031,004
Net book value	
At 30 April 2012	6,031,004
At 30 April 2011	6,031,004

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

9 Tangible fixed assets

	Freehold property	Short leasehold property	Motor vehicles	Plant, machinery fixtures & equipment	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 May 2011	-	558,564	11,781	393,550	20,046	983,941
Additions	252,625	11,709	-	-	-	264,334
At 30 April 2012	252,625	570,273	11,781	393,550	20,046	1,248,275
Depreciation						
At 1 May 2011	-	261,124	10,717	233,863	17,737	523,441
Provision for the year	421	56,772	1,064	31,937	1,634	91,828
At 30 April 2012	421	317,896	11,781	265,800	19,371	615,269
Net book value						
At 30 April 2012	252,204	252,377	-	127,750	675	633,006
At 30 April 2011	-	297,440	1,064	159,687	2,309	460,500

10 Investments

	Shares in subsidiary undertakings
	£
Cost:	
At 1 May 2011 and at 30 April 2012	801,716

The company's investment, at the balance sheet date, in the share capital of companies include the following

G E Newman Limited

Registered in England and Wales

Nature of business Dormant

Class of shares Ordinary

Holding 100%

	2012	2011
	£	£
Aggregate capital and reserves	96,289	96,289

Stenlin Limited

Registered in England and Wales

Nature of business Dormant

Class of shares Ordinary

Holding 100%

	2012	2011
	£	£
Aggregate capital and reserves	131,665	131,665

Longprofit Limited

Registered in England and Wales

Nature of business Dormant

Class of shares Ordinary

Holding 100%

	2012	2011
	£	£
Aggregate capital and reserves	100	100

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

11 Stocks

	<u>2012</u>	<u>2011</u>
	£	£
Goods for resale	<u>790,073</u>	<u>804,879</u>

12 Debtors

	<u>2012</u>	<u>2011</u>
	£	£
Trade debtors	1,017,093	1,067,282
Other debtors	393,486	485,338
Prepaid expenses and accrued income	84,067	81,328
	<u>1,494,646</u>	<u>1,633,948</u>

13 Debtors: due after more than one year

	<u>2012</u>	<u>2011</u>
	£	£
Debtors falling due after more than 1 year	<u>4,036,194</u>	<u>3,301,184</u>

Debtors due after more than one year include an amount due from the parent company of £1,952,757 (2011 £1,481,847) and an amount due from a fellow subsidiary of £2,083,437 (2011 £1,819,337). The recoverability of the balance of £2,083,437 is dependent upon the future trading performance of the fellow subsidiary, that company currently requires continuing support from A & S Shillam Limited.

14 Creditors: amounts falling due within one year

	<u>2012</u>	<u>2011</u>
	£	£
Bank loans	355,579	1,126,558
Trade creditors	2,809,631	2,831,690
Other creditors	2,067	505
Corporation tax	279,851	297,731
Other tax and social security	19,545	23,072
Accruals and deferred income	20,794	23,029
	<u>3,487,467</u>	<u>4,302,585</u>

The bank loans and overdraft facility are secured by fixed and floating charges over all the assets of the company and of its parent company Clementine Associates Limited. Security is also given by an unlimited cross guarantee (see note 20).

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

15 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	1,344,525	1,442,086
Amounts due to group companies	227,954	227,954
Other creditors	2,684,958	1,922,282
	<u>4,257,437</u>	<u>3,592,322</u>
Analysis of loan repayments		
Bank loans and overdrafts		
Within one year or on demand	355,579	1,126,558
Between two and five years	1,247,863	1,362,264
After five years	96,662	79,822
	<u>1,700,104</u>	<u>2,568,644</u>
Less amounts included in current liabilities (note 14)	355,579	1,126,558
	<u>1,344,525</u>	<u>1,442,086</u>

There were three loans outstanding at the balance sheet date, two of which have been brought forward and an additional loan obtained during the year. One of the existing loans bears interest at 2.35% per annum above base rate and is repayable within 5 years, and the other bears interest at 2.50% per annum above base rate and is also repayable within 5 years. The new loan bears interest at 2.35% per annum above base rate and is due for repayment within 7 years.

16 Provisions for liabilities

The amount provided for deferred taxation and the movement during the year were as follows

	2012	2011
	£	£
Deferred tax - accelerated capital allowances	<u>260,938</u>	<u>257,767</u>
Provision at start of year	257,767	
Deferred tax charge in profit and loss account for year (note 7)	3,171	
Provision at end of year	<u>260,938</u>	

17 Called up share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

A & S SHILLAM LIMITED

Notes to the financial statements for the year ended 30 April 2012 (continued)

18 Reserves

	Profit and loss account
	£
At 1 May 2011	5,013,590
Profit for the year	855,171
At 30 April 2012	5,868,761

19 Reconciliation of movement in shareholder's funds

	2012	2011
	£	£
Profit for the year	855,171	836,021
Shareholder's funds at 1 May 2011	5,013,690	4,177,669
Shareholder's funds at 30 April 2012	5,868,861	5,013,690

20 Contingent liabilities

The company is party to an inter-company composite guarantee over all its assets, together with its parent company, in respect of bank loans and overdrafts of the group. At 30 April 2012 the amount of indebtedness of the group subject to this guarantee, net of in hand bank balances, was £1,683,258 (2011 £2,460,536)

21 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 30 April 2012 were as set out below

	2012 Land and buildings	2011 Land and buildings
	£	£
Operating leases which expire		
Within one year	15,000	-
Within two to five years	36,500	75,000
Over five years	127,250	99,750
	178,750	174,750

22 Related parties

The company is a wholly owned subsidiary of Clementine Associates Limited, which is a company incorporated in England and Wales

The company is controlled by the trustees of the Clementine Settlement, which is the sole shareholder of Clementine Associates Limited. Mr J A Lynch-Batten is a trustee of that settlement

At 30 April 2012 Clementine Associates Limited owed the company £1,952,757 (2011 £1,481,847)

At 30 April 2012 Ginova UK Limited owed the company £2,083,437 (2011 £1,819,337). Ginova UK Limited, which is a company incorporated in England and Wales, is a fellow subsidiary of Clementine Associates Limited